



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

File #: RES 20-070, **Version:** 1

Adopt a Resolution amending Article I.d. of the Monterey County Master Fee Resolution effective July 1, 2020, to adjust certain fees related to the Health Department's Clinic Services Bureau pursuant to the attached Fee Schedule.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

Adopt a Resolution amending Article I.d. of the Monterey County Master Fee Resolution effective July 1, 2020, to adjust certain fees related to the Health Department's Clinic Services Bureau pursuant to the attached Fee Schedule.

SUMMARY/DISCUSSION:

The Health Department's Clinic Services Bureau (Clinic Services) operates Federally Qualified Health Center Look (FQHC) clinics that are required, by the Health Resources and Services Administration (HRSA), to periodically review its fee schedule to ensure that it accurately reflects costs of services rendered and that fees are consistent with local prevailing rates or charges. In compliance with the requirements, Clinic Services has been reviewing and adjusting its fee schedules annually. Proposed fees for FY20-21 contains average 7.105% increase from those of FY19-20.

Additionally, Clinic Services is mandated by HRSA to offer Sliding Fee Discount Program (SFDP) for patients whose income is at or below 200% of the Federal Poverty Level (FPL).

In FY19-20, Clinic Services has continued to set SFDP fees at the same level as in FY18-19 to \$0, \$40, \$70, \$105 and \$130, respectively for those who were eligible if a patient's income is at 100% or below, under 120%, under 133%, under 185% and at 200% or below of the FPL, to ensure that increased SFDP fees be affordable and do not add a negative effect on patient visits. Data indicates average number of visits per year per patient was increased from 1.34 in FY18-19 to 1.37 in FY19-20 for patients with FPL between 101% and 200% and the number of patients utilized SFDP increased from 3,663 to 4,454 patients. There might be many other factors contributing to this trend, it is not believed that the current SFDP fees were a barrier for patients to seek cares with Clinic Services. For FY20-21, CS proposes to increase the SFDP fees to \$0, \$45, \$75, \$110 and \$130, respectively for those who were eligible if a patient's income is at 100% or below, under 120%, under 133%, under 185% and at 200% or below of the FPL. The proposed increase would keep services of Clinic Services affordable for the patients as well as HRSA's requirements of reflecting costs of services in charges and increased efforts in maximizing revenue.

Calculations and documents in support of all fee adjustments recommended herein are attached and/or are on file with the Clerk of the Board along with a SFDP chart reflecting calendar year 2020 FPL. In all cases, the proposed fees reflect no more than the actual, reasonable, fully loaded costs of the services provided to the payor/applicant. By definition, these service charges are not a 'tax' and are exempt from voter approval pursuant to Article XIII C section 1(e)(1)-(2) of the California Constitution ('Prop. 26': charge imposed for specific benefit conferred/ privilege/ service or product provided or granted to the payor).

The work supports the Monterey County Health Department's 2018-2022 Strategic Plan Initiatives: 1.) Empower the community to improve health; and 3.) Ensure access to culturally and linguistically appropriate, customer-friendly, quality health services. It also supports the following of the ten essential public health services, specifically: 5.) Develop policies and plans that support individual and community health efforts; and 7.) Link people to needed personal health services and assure the provision of health care when otherwise unavailable.

OTHER AGENCY INVOLVEMENT:

A copy of the Proposed Resolution, the proposed fee schedule and the SFDP chart are attached to this report and on file with the Clerk of the Board.

FINANCING:

The recommended fee adjustments are intended to recapture service costs with considerations of operation cost, Relative Value Units (RVU), payor reimbursements such as Medicare and Medi-Cal and prevailing local charges, without generating additional revenue. It is to assure that the programs remain revenue neutral with no additional impact on the County's General Fund Contribution to the Department. The fee increase is also intended to stay compliant with HRSA's requirements. In FY18-19, 92.5% of direct service revenue was from Medi-Cal and Medicare 1.30% was payments from patients. FQHCs reimbursements by Medi-Cal and Medicare is Perspective Payment System (PPS), which will not be affected by the proposed fee schedules. Similarly, Clinic Services does not expect significant increase in revenue from patients resulted from the fee increases.

Currently, all patients visiting Clinic Services clinics are screened for eligibility into State and Federal programs to ensure that all patients eligible for a third-party payor source are enrolled in appropriate programs. All patients under the 200% Federal Poverty Level can apply SFDP as approved by FQHC regulations.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Check the related Board of Supervisors Strategic Initiatives:

Economic Development:

- Through collaboration, strengthen economic development to ensure a diversified and healthy economy.

Administration:

- Promote an organization that practices efficient and effective resource management and is recognized for responsiveness, strong customer orientation, accountability and transparency.

Health & Human Services:

- Improve health and quality of life through County supported policies, programs, and services; promoting access to equitable opportunities for healthy choices and healthy environments in collaboration with communities.

Infrastructure:

- Plan and develop a sustainable, physical infrastructure that improves the quality of life for County residents and supports economic development results.

Public Safety:

- Create a safe environment for people to achieve their potential, leading businesses and communities to thrive and grow by reducing violent crimes as well as crimes in general.

Prepared by: Nan Kyung Kim, Finance Manager, 755-1308

Approved by:

Date: _____
Elsa Jimenez, Interim Director of Health, 755-4526

Attachments:

Resolution is on file with the Clerk of the Board

Article I.d. Fee Schedule is on file with the Clerk of the Board

Article I.d. Fee Schedule with Fee Comparison is on file with the Clerk of the Board

Sliding Scale Discount Chart is on file with the Clerk of the Board

Sliding Scale Discount Policy is on file with the Clerk of the Board

Clinic Services Fee Comparison Excel Spreadsheet 2020 is available upon request